



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
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MAY 26 2006

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTORS OF THE DEFENSE AGENCIES
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SUBJECT: Waiver of Overpayment

The Department of Defense (DoD) will waive overpayments made to DoD employees if the overpayments were due to the Office of Personnel Management's (OPM) late release of government-wide regulations implementing the Federal Workforce Flexibility Act of 2004 (Pub. L. 108-411, October 30, 2004). OPM issued the regulations on May 31, 2005, but they were retroactive to May 1, 2005, the legally mandated effective date of the law. As a consequence, DoD Human Resources Offices set pay using outdated rules for a period of time, and a number of DoD employees were overpaid.

Section 5584 of title 5, United States Code, allows for waiver of overpayments when the collection of such payments would be against equity and good conscience. Therefore, DoD will waive employee debt incurred as a result of the late release of the implementing regulations from the effective date of the law (May 1, 2005) until the employee became aware or should have been aware of the overpayments.



All requests for waiver should be sent to the Defense Finance and Accounting Service (DFAS) – Denver Center in accordance with the procedures set forth in paragraph 80306 of DoD Financial Management Regulation (DoDFMR 7000.14-R, Volume 8, Chapter 8). DFAS – Denver Center will process waiver requests up to \$1,500 and will forward waiver requests involving overpayments that exceed \$1,500 to the Defense Office of Hearings and Appeals for final decision.



David S. C. Chu